Contl. II-27—100,000—31-5-48.

(195/48) Department

SERIES.

G.O. No. 3693

Dated 10-7-48

[Despatch Abstract.]

Textiles - Cloth and yarn - Decontrol policy of the Government of India - Orders and Press Note - Papers received.

Contt. II-27—100,000—21-5-48.

(1954/48) Department.

SERIES.

G.O. No. 3693

Dated 10 7 48

[Despatch Abstract.]

Textiles - Cloth and yarn - Decontrol policy of the Government of India - Orders and Press Note - Papers recorded.

GOVERNMENT OF MADRAS
Development Department.

Endorsement No. 51041-M/48.1 dated the 11th May 1948.

READ: Government of India, Ministry of Industry and Supply, Resolution No.90/1C-Tex.1/48, dated New Delhi, the 4th May 1948.

In their Resolution No. 90/1-Tex.1/48 dated the 22nd January 1948, the Government of India announced their decision regarding relaxation of control of cotton textiles. The Government of India have viewed with great concern the rising trend in cloth prices, which has followed the relaxation of control in January last but have decided to relax the control further in the hope that the Textile Industry and the Trade will thereby be in a position to operate that cloth will becomes available to the consumer at reasonable prices. The Industry and Trade will be expected to secure such distribution during the next three months.

2. The Government of India have decided that with immediate effect the stampting of ex-mill and retail prices of cloth will be discontinued The existing regulations regarding the movements of cloth and the markin of the month and year of production will, however, continue.

3. The Textile Commissioner will arrange for supplies of cloth at ex-mill prices to co-operative societies which are nominated for the purpose by the Provincial and State Governments out of the portion of the production held by each mill at his disposal.

4. The control over distribution of yarn will be discontinued, but the Government of India retain the right to requisition or earmark for the handloom industry at least as much yarn as is now being supplied under the All India Yarn Distribution Scheme to ensure the availability of yarn at reasonable prices. To this end, the Government of India propose to invite the Provincial and State Governments to utilise cooperative societies of weavers and other similar organisations to undertake the distribution of yarn. To such agencies, allocations will be made directly from the mills which will be expected to sell the yarn at fair prices.

5. The Government of India have also decided that handloom goods should be freely licensed for export to all permissible destinations until the end of July 1948. This, it is hoped, will help the handloom industry to tide over its present difficulties. If it is found that this free licensing results in too large a volume of exports of handloom cloth, adjustments will be made against future export quotas. Meanwhile the handloom weavers will be expected to convert their production to types and varieties of cloth in demand in the country to the extent possible and to reduce their cost of production.

6. The Government of India have also taken the following decisions:-

(1) The existing limit to quantities of cloth which can be taken as personal luggage by railway within the Indian Union will be raised from 13 lbs. to 30 lbs. The limit will, however, remain at 13 lbs. in the case of passengers travelling from the Indian Union to Pakistan.

(2) Control over the distribution of millstores will continue as at present, except as regards dyes and hydro-sulphide of soda, which will henceforth be allowed to move freely through normal trade channels.

7. The Government of India intend to watch the situation for the next three months. Meanwhile, they are considering what steps should be taken to absorb in the public exchequer the excessive profits made by the industry and the trade and to ensure that cloth is made available to the consumer at reasonable prices.

ORDER:

Ordered that a copy of the above Resolution be communicated to all Provincial Governments and Administrations, all Ministries of

the Government of India, the Indian Trade Commissioners, all Indian Embassies, the High Commissioner for India, London, His Majesty's Trade Commissioner in India, all Chambers of Commerce and Associations, all Cotton Textile Mills, the Director General of Commercial Intelligence and Statitics, Calcutta, the High Commissioner for Indian in Pakistan, Karachi, the High Commissioner for Pakistan in India, New Delhi, and the Secretary, Indian Tariff Board.

Ordered also that it be published in the Gazette of India.

M.P. PAI
Joint Secretary to the Government of India

ENDORSEMENT:

Communicated to the Provincial Textile Commissioner and the Registrar of Co-operative Societies, in continuation of Government Endorsement No. 51041/M-48.1 dated the 5th May 1948.

C.P. GOPALAN NAYAR
Assistant Secretary to Government.

To the Provincial Textile Commissioner.
To the Registrar of Co-operative Societies.

Copy of Ref.No.TCS-1/27 dated 13th May 1948, from the Government of India, Ministry of Industry and Supply, Office of the Textile Commissioner, Bombay, to all Manufacturers.

Sub: COTTON TEXTILES (CONTROL) ORDER, 1948.

I am directed to forward for your information a copy of the Press Note issued by the Government of India on the 9th May 1948 clarifying and explaining the Policy of Government relating to Cotton Textiles.

PRESS NOTE.

Dated, the 9th May 1948.

Following the declaration of Government of India's revised textile policy on the 23rd April 1948 enquiries are being made as to which of the provisions of the various textile control orders are in force and what are the implications of the new policy. With a view to clear any doubts that may exist in the minds of the public, the Government of India desire to clarify the position as follows:-

The matter falls to be considered mainly under the following heads:-

1. Millstores 2. Cloth and Yarn 3. Transport 4. Export.

1. MILLSTORES: Control over millstores continues as before except that there are now no restrictions in trading in dyes and hydro-sulphite of soda.

2. CLOTH AND YARN: (a) Price control over cloth and yarn has been entirely removed and no price will be stamped.

b) As regards the various production controls, the restrictions on the use of sizing and filling materials continue. The limits on the number of varieties of cloth that may woven also continue. A mill will be allowed hereafter to weave a saree border exceeding 2" in width provided folded yarn in excess of what would be required for the manufactur of a 2" border is not used. The orders issued on the mills requiring them to utilise a minimum number of looms of 48" to 58" reed space for the manufacture of dhoties and sarees are cancelled.

(c) The prohibition against the use of sewing thread in the production of cloth against the employment of any spindle except for the spinning of cotton yarn have been cancelled.

(d) The restrictions against acquisition and installation of powerloom by any person continue but there will be no more restrictions against the acquisition or working of handlooms, sewing thread winding and spooling machines and hosiery machines.

(e) The control on the manufacture and sale of sewing thread yarn and sewing threads has been removed.

(f) The packing regulations relating to cloth and yarn continue.

(g) The tex-mark and the month of packing will continue to be stamped as before and these are the only markings prescribed by law.

(h) There will be no more quota-holders either of cloth or of yarn and the mills will be at liberty to choose their buyers.

(i) Refusal to sell without sufficient cause is still an offence

(j) Hoarding of cloth and yarn will also continue to be an offence so that manufacturers and dealers can keep cloth and yarn whether in un-opened bales or in loose condition only for specified periods, and manufacturers, dealers and other persons can possess stocks only upto the limit of their normal requirements as at present. Timebarred cloth or yarn will have to be reported to the authorities as before.

(k) The Textile Commissioner retains the power to direct manufacturers and dealers as regards the sale and delivery of cloth and yarn in their hands. This, however, will be exercised only when absolutely

3. TRANSPORT: As regards movement, all restrictions imposed by the Central Government against movement of yarn within the Indian Union whether by rail, road, post or other means have been removed but those in respect of other cotton textiles remain. The position briefly in respect of cloth and apparel is that transport by passenger train is prohibited altogether in the absence of a permit from the Textile Commissioner. The only exception is that a railway passenger may carry, as his personal luggage, within the Indian Union, cloth and appreal upto a limit of 30 lbs. As regards transport by goods train, handloom and cloth and apparel made of handloom cloth can move freely within a province but for movement outside the province, permission of a provincial authority is necessary. All other cloth may move freely by goods train within the zone but for movement outside the zone, there must be a permit from the Textile Commissioner.

The registration system in force in the Bombay, Ahmedabad and Sholapur cities continues in respect of cloth, apparel and hosiery.

4. EXPORT: All cloth and yarn produced hereafter by the mills for export or for sale in India will have the same markings. As the trading is now free, the class of export wholesale dealers is abolished. The mills being also free to sell to anybody they like, the necessity for "A" and "B" forms no longer exists and both forms will be cancelled. Exporters will thereafter have to fulfil only those conditions which are prescribed in the export regulations by the Ministry of Commerce. As price control has been removed except in the case of Astralia, British East Africa (including Kenya, Ugenda dna Tanganiyka and Sudan) there will be no export price as such fixed by law for export to any country. Cloth which is already marked for export cannot be diverted to the Indian market without the permission of the Textile Commissioner and in the absence of such permission, should be exported or sold for export only. Similarly, price marked cloth cannot be exported or sold for export and should be sold in the Indian market only.

GOVERNMENT OF MADRAS
Development Department.

Endorsement No. 41041-M/48.3 dated the 2nd June 1948.

Communicated for information.

C.V. NARASIMHAN
Deputy Secretary to Government

To the Provincial Textile Commissioner.
To the Registrar of Co-operative Societies.
To all Collectors.
To the Food Department.

/True copy/

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Office Assistant,
Madras Record Office, Egmore

Sk. 5.1.54 5.1.54

** After issue these papers may be recorded for future reference.

G.O. 3693 dated the 10th July 1948.

Abstract

TEXTILE - Cloth and yarn - Decontrol policy of the Government of India- Explained - Papers recorded.